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September 16, 2005

Mr. John F. Carter  
Regional Director  
Federal Deposit Insurance Corporation  
25 Jessie Street at Ecker Square, Ste 2300  
San Francisco, CA 94105

**Re: Comments Regarding FDIC Application #20051977; Wal-Mart Application for Insurance and Industrial Bank Charter**

Dear Mr. Carter:

I am writing to comment on the Wal-Mart Stores, Inc. application for a Utah industrial loan company charter (ILC) and federal deposit insurance. I oppose the application and urge the FDIC to deny the application. I encourage the FDIC to conduct a public hearing on the application to allow small business owners and bankers to testify as to the destructive impact of Wal-Mart Bank.

Despite the narrow business plan proposed by Wal-Mart, the application to establish an ILC presents serious issues regarding the appropriate structure of our national banking system. A bank owned and operated by the world's largest retailer will expose the industry to a dangerous mixing of banking and commerce, distorted credit decisions, unstable economic concentration, superficial banking supervision, overextension of the federal safety net, potential losses to the taxpayer and long term community disinvestment.

Limiting the ownership of ILCs is not unprecedented. There are 51 ILCs chartered in five states: California, Colorado, Minnesota, Nevada and Utah. Of these, California and Colorado prohibit commercial ownership. The California prohibition arose in response to Wal-Mart's attempt to purchase a failing California ILC in 2002. Acting in support of the Federal Reserve and citing the federal prohibition on commercial ownership of unitary thrifts as mandated in the 1999 Gramm-Leach-Bliley Act, the California legislature overwhelmingly voted to prohibit the future ownership of a California ILC by any commercial firm. In signing the law, California Governor Gray Davis remarked that the continued separation between banking and commerce is critical to the safety and soundness of our financial system, particularly in light of the recent accounting and balance sheet irregularities in the corporate world, such as Enron, WorldCom and Tyco.

For the reasons listed above, I urge the FDIC to deny the Wal-Mart Bank application.

Sincerely,

Steven R. Gardner  
President & CEO  
Pacific Premier Bank